

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NEW YORK

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In re:

Chapter 7  
Case Nos.:

A & B MART & SERVICE, INC.	15-70118 (AST)
BOHEMIA DEVELOPMENT CORP.	15-70119 (AST)
CENTEREACH DEVELOPMENT CORP.	15-70120 (AST)
CORAM DEVELOPMENT CORP.	15-70121 (AST)
HAUPPAUGE DEVELOPMENT CORP.	15-70122 (AST)
NORTHPORT ENTERPRISES, INC.	15-70123 (AST)
VALLEY STREAM ENTERPRISES, INC.	15-70124 (AST)
MAPLE AVENUE HAUPPAUGE DEVELOPMENT CORP.	14-75674 (AST)
PORT JEFFERSON DEVELOPMENT CORP.	14-75675 (AST)
MEDFORD DEVELOPMENT CORP.	14-75666 (AST)
AIRPORT DEVELOPMENT CORP.	14-75683 (AST)
WHEELER DEVELOPMENT LLC	14-75668 (AST)
SMITHTOWN DEVELOPMENT CORP.	14-75669 (AST)
BRENTWOOD DEVELOPMENT CORP.	14-75670 (AST)
RONKONKOMA DEVELOPMENT CORP.	14-75676 (AST)
ISLANDIA DEVELOPMENT CORP.	14-75677 (AST)
OCEANSIDE ENTERPRISES, INC.	14-75678 (AST)
ISLIP DEVELOPMENT CORP.	14-75679 (AST)
WESTBURY ENTERPRISES, INC.	14-75680 (AST)

Debtors.

Substantively Consolidated  
Under Case No. 15-70118 (AST)

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**STIPULATION AND ORDER SETTLING ADMINISTRATIVE EXPENSE CLAIMS**

This Stipulation and Order of Settlement (the “Stipulation”) is entered into, as of June [--], 2017, by and between Robert L. Pryor, Esq., chapter 7 trustee (the “Trustee”) of the substantively consolidated bankruptcy estate of A & B Mart & Service, Inc. (the “Consolidated Debtor”), and Pasang Lama, Sohail Muhammad, Prabin Gautam, Chandriswor Kandel, Rajendra Khadka, Yam B. Sunuwar, Angnima Sherpa and Shiva Baniya (collectively, the “Employee

Claimants" and, together with the Trustee, the "Parties" and each a "Party"), in each case by and through their undersigned counsel.

**RECITALS**

**WHEREAS**, on December 24, 2014 (the "Petition Date"), Medford Development Corp. ("Medford"), Airport Development Corp. ("Airport"), Brentwood Development Corp. ("Brentwood"), Islandia Development Corp. ("Islandia"), Islip Development Corp. ("Islip"), Oceanside Enterprises, Inc. ("Oceanside"), and Wheeler Development Corp. ("Wheeler"), among other affiliated debtors, each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code");

**WHEREAS**, pursuant to an order entered July 16, 2015, the aforementioned debtors' respective bankruptcy cases were converted to cases under chapter 7 of the Bankruptcy Code; and

**WHEREAS**, the Trustee was subsequently appointed interim trustee for the bankruptcy estates of A & B Mart & Service, Inc., Medford, Airport, Brentwood, Islandia, Islip, Oceanside, and Wheeler; and

**WHEREAS**, the above-captioned cases are being jointly administered pursuant to an order entered July 31, 2015; and

**WHEREAS**, pursuant to an order entered August 5, 2016 (the "Substantive Consolidation Order"), the above-captioned cases were substantively consolidated under the lead case A & B Mart & Service, Inc. and lead case number 15-70118-ast (the "Consolidated Cases"); and

**WHEREAS**, the Trustee is duly appointed, qualified and acting as trustee of the bankruptcy estate (the "Consolidated Estate") of the Consolidated Debtor; and

**WHEREAS**, prior to the Petition Date through January 2015, various Debtors employed the Employee Claimants and failed to pay such Employee Claimants for their work performed; and

**WHEREAS**, on or about January 11, 2016, the Employee Claimants filed a motion for the allowance and payment of administrative priority wage claims against certain debtors (the “Motion”) (ECF No. 80)<sup>1</sup>; and

**WHEREAS**, as set forth in the Motion and in separately filed proofs of claim, the Employee Claimants asserted administrative expense claims under section 503(b)(1)(A) of the Bankruptcy Code (the “Administrative Expense Claims” and each an “Administrative Expense Claim”) against certain Debtors in the amounts set forth below:

<b>Employee Claimant</b>	<b>Debtor Employer</b>	<b>Administrative Expense Claim Asserted</b>
Pasang Lama	Islandia	\$23,613.62
	Port Jefferson Development Corp.	\$23,613.62
	Centereach Development Corp.	\$23,613.62
Sohail Muhammad	Islip	\$16,100.94
	Airport	\$16,100.94
	Wheeler	\$16,100.94
	Medford	\$16,100.94
	Oceanside	\$16,100.94
Prabin Gautam	Islip	\$6,930.00

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<sup>1</sup> The Motion was filed before the cases were substantively consolidated. In addition to being filed on the Lead Case docket, the Motion was also filed on the docket for each of Medford, Islandia, Islip, Wheeler, Brentwood, Oceanside, and Airport.

	Brentwood	\$6,930.00
Chandriswor Kandel	Islip	\$8,055.72
	Medford	\$8,055.72
Rajendra Khadka	Brentwood	\$8,801.82
	Medford	\$8,801.82
Yam B. Sunuwar	Medford	\$8,801.82
Angnima Sherpa	Islandia	\$9,133.44
	Medford	\$9,133.44
Shiva Baniya	Brentwood	\$6,969.68

**WHEREAS**, on or about March 2, 2017, the Trustee filed an objection to the Motion (the “Objection”) (ECF No. 122); and

**WHEREAS**, the Parties desire to avoid the costs and uncertainty of further litigation and seek to resolve the Motion, the Objection, and other disputes regarding the Administrative Expense Claims without the need for further costs and administrative expenses upon the terms set forth herein.

**NOW, THEREFORE**, it is hereby stipulated and agreed as follows:

1. The Motion and the Objection thereto will be deemed resolved as set forth herein.
2. Upon the approval by the Bankruptcy Court of this Stipulation, the Administrative Expense Claims shall be allowed under section 503(b)(1)(A) of the Bankruptcy Code as administrative expenses against the Consolidated Debtor in the amounts set forth in the table below (the “Allowed Amount”) and shall not be subject to any defense or counterclaim, right of setoff, reduction, avoidance, disallowance, or subordination:

<b>Employee Claimant</b>	<b>Asserted Amount</b>	<b>Allowed Amount</b>
Pasang Lama	\$23,613.62	\$4,106.91
Prabin Gautam	\$6,930.00	\$3,240.00
Chandriswor Kandel	\$8,055.72	\$3,877.86
Rajendra Khadka	\$8,801.82	\$4,175.91
Yam B. Sunuwar	\$8,801.82	\$4,175.91
Angnima Sherpa	\$9,133.44	\$4,341.72
Shiva Baniya	\$6,969.68	\$3,334.84
Sohail Muhammad	\$16,100.94	\$0.00

3. With respect to each Employee Claimant, his Administrative Expense Claims will be deemed amended to be a single claim against the Consolidated Debtor in the Allowed Amount (each an “Allowed Administrative Expense Claim” and, collectively with respect to all Employee Claimants, the “Allowed Administrative Expense Claims”), and each of the Employee Claimants hereby waives his right to recover from the Consolidated Debtor or the Consolidated Estate any amounts that he might otherwise be entitled to on account of his respective Administrative Expense Claims other than the agreed-upon amounts due him on account of his respective Allowed Administrative Expense Claim.

4. Employee Claimant Sohail Muhammad agrees to withdraw and waive the Administrative Expense Claims he asserted or may assert against the Debtors, the Consolidated Debtor, and/or the Consolidated Estate.

5. In keeping with the Substantive Consolidation Order, the Employee Claimants agree to withdraw the claims set forth in the table below:

<b>Claimant</b>	<b>Case</b>	<b>Claim #</b>	<b>Debtor Listed</b>
Pasang Lama	Medford	39-1	Islandia
	Medford	40-1	Port Jefferson
	Port Jefferson	12-1	Port Jefferson
	Centereach	10-1	Centereach
Prabin Gautam	Brentwood	19-1	Brentwood
	Medford	37-1	Islip
	Medford	38-1	Brentwood
Chandriswor Kandel	Medford	29-1	Islip
Rajendra Khadka	Medford	34-1	Brentwood
Angnima Sherpa	Medford	28-1	Islandia
Shiva Baniya	Medford	23-1	Brentwood
Sohail Muhammad	Wheeler	28-1	Wheeler
	Oceanside	19-1	Oceanside
	Airport	31-1	Airport
	Islip	17-1	Islip
	Medford	45-1	Wheeler
	Medford	44-1	Oceanside
	Medford	41-1	Airport
	Medford	42-1	Islip

6. The Employee Claimants' sole remaining claims against the Consolidated Debtor shall be as follows, and each such Administrative Expense Claim asserted therein shall be in the Allowed Amount for such claim:

<b>Claimant</b>	<b>Case</b>	<b>Claim #</b>	<b>Debtor Listed</b>
Pasang Lama	Islandia	17-1	Islandia
Prabin Gautam	Islip	18-1	Islip
Chandriswor Kandel	Islip	19-1	Islip
Rajendra Khadka	Brentwood	20-1	Brentwood
Yam B. Sunuwar	Medford	36-1	Medford
Angnima Sherpa	Islandia	18-1	Islandia
Shiva Baniya	Brentwood	17-1	Brentwood
Sohail Muhammad	Medford	8-2	Medford

7. The Parties acknowledge and agree that the Allowed Administrative Expense Claims shall be paid in accordance with sections 507(a)(2) and 726 of the Bankruptcy Code promptly upon the Court's approval of the Trustee's final report for the Consolidated Debtor. Payment on account of the Allowed Administrative Expense Claims for all Employee Claimants shall be sent to Richard Blum, The Legal Aid Society, 199 Water Street, 3rd Floor, New York, NY 10038.

8. Other than the Allowed Administrative Expense Claims, the Employee Claimants and each of their successors and assigns are hereby barred from asserting any administrative expense claims whatsoever, whether known or unknown, asserted or not, in law or in equity against the Consolidated Debtor or the Consolidated Estate in existence as of the date of this Stipulation. The Employee Claimants do not waive any right or claim they may have against a separate entity that is not a Debtor in the Consolidated Cases. Nothing in this Stipulation affects the Employee Claimants' unsecured and priority claims asserted against the Consolidated Debtor.

9. The Trustee, on behalf of the Consolidated Estate, hereby releases any and all claims or causes of action against the Employee Claimants and each of their successors and assigns relating in any way to the Administrative Expense Claims or the Stipulation, except with respect to any of the Employee Claimants obligations hereunder.

10. This Stipulation may not be modified other than by a signed writing executed by the Parties hereto or by order of the Court.

11. Each person who executes this Stipulation represents that he or she is fully authorized to do so on behalf of the respective Party hereto and that each such party has full knowledge and has consented to this Stipulation.

12. This Stipulation may be executed in counterparts and a facsimile or electronically transmitted copy of this Stipulation shall be deemed an original.

13. Upon receipt of a fully executed copy of this Stipulation, the Trustee, by and through his counsel, shall promptly file a motion with the Court on notice to all creditors and parties-in-interest seeking Court-approval of this Stipulation.

14. The effectiveness of this Stipulation is subject to the approval of the Court and shall be effective immediately upon the Court's so-ordering this Stipulation.

15. The Parties agree that this Stipulation shall be governed by and construed in accordance with the laws of the United States, including the Bankruptcy Code, and the laws of the State of New York.

16. The Bankruptcy Court shall retain exclusive jurisdiction over this Stipulation and any and all disputes arising out of or otherwise related to the Stipulation.

[SIGNATURE PAGE TO FOLLOW]

**IN WITNESS WHEREOF**, the undersigned counsel for the Parties hereto have executed this Stipulation as of the date set forth above.

**PRYOR & MANDELUP, L.L.P.**

By: /s/J. Logan Rappaport  
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**SO ORDERED:**

**Dated: July 16, 2017  
Central Islip, New York**



  
**Alan S. Trust**  
**United States Bankruptcy Judge**